

April 9, 2003



JOINT MEETING OF THE RETIREMENT BOARDS

The Employees and Fire and Police Retirement Boards met in a joint session in Meeting Room A, 2nd Floor, City Hall, 2600 Fresno Street, Fresno, California at the hour of 2:15 p.m. on the day above written.

Roll Call at 2:39 p.m.

Present for the Employees Retirement Board:

William Quick	Chair
Carla Lombardi	Vice-Chair
Frank Balekian	Member
Darrell Fifield	Member
Marvell French	Member

Present for the Fire and Police Retirement Board:

Brian Burry	Chair
Darrell Fifield	Vice Chair
Carla Lombardi	Member
Paul Cliby	Member
Stephen Guinn	Member

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APPROVE MINUTES OF THE **JOINT RETIREMENT BOARDS** FOR MARCH 12, 2003, REGULAR MEETING, MARCH 14, 2003, SPECIAL MEETING, APRIL 1, 2003, WORKSHOP, AND APRIL 3, 2003, SPECIAL MEETING.

ON MOTION of Member Cliby seconded by Member Guinn, duly carried, RESOLVED to approve the minutes of the **Joint Retirement Boards** for March 12, 2003, Regular meeting, March 14, 2003, Special Meeting, April 1, 2003, Workshop, and April 3, 2003, Special Meeting hereby approved by the following vote:

Ayes:	Burry, Fifield, Cliby, Guinn, Lombardi
Noes:	None
Abstain:	None
Absent:	None

ON MOTION of Member Lombardi seconded by Member Fifield, duly carried, RESOLVED to approve the minutes of the **Joint Retirement Boards** for March 12, 2003, Regular meeting, March 14, 2003, Special Meeting, April 1, 2003, Workshop, and April 3, 2003, Special Meeting, hereby approved by the following vote:

Ayes:	Quick, Lombardi, Balekian, Fifield, French
Noes:	None
Abstain:	None
Absent:	None

APPROVE AGENDA OF APRIL 9, 2003

Employees Member Balekian added to agenda to direct the Administrative Committee to review the status of the PRSB surplus and to pursue permanent reserve of PRSB.

TIMED SCHEDULED HEARINGS AND MATTERS

PRESENTATIONS, INTERVIEWS AND
CONSIDERATION OF INVESTMENT
CONSULTANT FINALISTS.

2:35 P.M. MICHAEL SCHLACHTER,
WILSHIRE ASSOCIATES

3:15 P.M. WILLIAM COTTLE, MILLIMAN
USA

2:45 p.m.

Michael Schlachter and Steve Nesbit, Sr. Managing Director also spoke on behalf of Wilshire Associates regarding how Wilshire started, Wilshire's standards to the Systems, asset allocation plan issues, the lead consultants, growth, institutional quality, educational course, hedge and real estate funds, other clients, due diligence, asset management consulting, manager selection, their database and client base, and both responded to questions from Members Fifield, Cliby and Guinn.

3:42 p.m.

William Cottle and Alan Perry spoke on behalf of Milliman Associates regarding peer review policy, public plan presence, Milliman's history and location, plan sponsors, fees, pension obligation bond, 5-year review and structure review, alternative investments, hedge funds, expectations for stock returns, increase of international equities, international fixed income, domestic fixed income, currencies, short term replacement for Dave Schwartzenberger, meetings with managers, and staff support. Both responded to questions from Members Burry and Cliby.

Extensive discussion ensued with comments and/or concerns from all members.

A motion by Member Balekian, seconded by Member Fifield, to hire Wilshire Associates for investment consulting services, failed, by the following vote:

Ayes:	Balekian, Fifield
Noes:	Quick, Lombardi, French
Abstain:	None
Absent:	None

A motion by Member Cliby, seconded by Member Burry, to hire Wilshire Associates for investment consulting services, hereby approved by the following vote:

Ayes:	Burry, Fifield, Cliby, Guinn
Noes:	Lombardi
Abstain:	None
Absent:	None

Member Lombardi, with Member French in agreement, expressed concerns regarding the conditions upon hiring Wilshire and Members Burry and Guinn briefly responded.

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ON MOTION by Member Cliby seconded by Member Fifield, duly carried, RESOLVED to rescind previous motion and to hire Wilshire Associates for investment consulting services subject to an annual evaluation, placement on immediate watch list, and to negotiate contract fees, hereby approved by the following vote:

Ayes: Burry, Fifield, Cliby, Guinn, Lombardi
Noes: None
Abstain: None
Absent: None

ON MOTION of Member Lombardi seconded by Member Fifield, duly carried, RESOLVED to hire Wilshire Associates for investment consulting services subject to an annual evaluation, placement on immediate watchlist, and to negotiate contract fees, hereby approved by the following vote:

Ayes: Lombardi, Balekian, Fifield, French
Noes: Quick
Abstain: None
Absent: None

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CONSENT CALENDAR

CONFIRM DATE AND TIME FOR THE NEXT
REGULAR JOINT MEETING OF THE
RETIREMENT BOARDS FOR 2:15 P.M. ON
MAY 22, 2003, FRESNO CITY HALL, 2600
FRESNO STREET, MEETING ROOM 2165-A

CONFIRM DATE AND TIME OF THE NEXT
INVESTMENT COMMITTEE MEETING
SCHEDULED FOR 10:00 AM TO 3:30 P.M.,
APRIL 23, 2003,, FRESNO CITY HALL, 2600
FRESNO STREET, MEETING ROOM 2165-A

CONFIRM DATE AND TIME FOR THE NEXT
ADMINISTRATIVE COMMITTEE MEETING
SCHEDULED FOR 9:00 A.M. TO 12:00
P.M., APRIL 24, 2003, FRESNO CITY HALL,
2600 FRESNO STREET, MEETING ROOM
2165-A

APPROVE MONTHLY BUDGET REPORTS OF
THE RETIREMENT ADMINISTRATIVE
OFFICE FOR FEBRUARY 2003

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ON MOTION of Member Balekian seconded by Member French, duly carried, RESOLVED to approve the consent calendar, hereby approved by the following vote:

Ayes: Quick, Lombardi, Balekian, Fifield, French
Noes: None
Abstain: None
Absent: None

ON MOTION of Member Cliby seconded by Member Lombardi, duly carried, RESOLVED to approve the consent calendar, hereby approved by the following vote:

Ayes: Burry, Fifield, Cliby, Guinn, Lombardi
Noes: None
Abstain: None
Absent: None

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EMPLOYEE PERSONNEL ISSUES

None.

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STAFF INITIATED ITEMS

None.

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BOARD INITIATED ITEMS

CONSIDER PROPOSED AMENDMENTS TO
THE BOARDS' ASSET ALLOCATION POLICY
AND INVESTMENT OBJECTIVES AND
POLICY STATEMENT REGARDING THE
LONG DURATION BONDS ASSET
ALLOCATION RANGE AS RECOMMENDED
BY THE INVESTMENT COMMITTEE.

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Administrator McDivitt reviewed and summarized the amendments to the policy.

ON MOTION of Member Balekian seconded by Member French, duly carried, RESOLVED to approve proposed amendments to the Boards' Asset Allocation Policy and Investment Objectives and Policy Statement regarding the long duration bonds asset allocation range, hereby approved by the following vote:

Ayes: Quick, Lombardi, Balekian, Fifield, French
Noes: None
Abstain: None
Absent: None

ON MOTION of Member Cliby seconded by Member Guinn, duly carried, RESOLVED to approve proposed amendments to the Boards' Asset Allocation Policy and Investment Objectives and Policy Statement regarding the long duration bonds asset allocation range, hereby approved by the following vote:

Ayes: Burry, Fifield, Cliby, Guinn, Lombardi
Noes: None
Abstain: None
Absent: None

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CONSIDER RECOMMENDATION FROM THE
INVESTMENT COMMITTEE TO TERMINATE
JP MORGAN LONG DURATION BOND
PORTFOLIO AND REALLOCATE THE
ASSETS.

Administrator McDivitt gave a brief report of the Committees recommendation adding that the termination of JP Morgan long duration bond portfolio will be effective April 30, 2003.

ON MOTION of Member Balekian seconded by Member French, duly carried, RESOLVED to terminate JP Morgan Long Duration Bond portfolio effective April 30, 2003, reallocate the assets and to hire Prudential, hereby approved by the following vote:

Ayes: Quick, Lombardi, Balekian, Fifield, French
Noes: None
Abstain: None
Absent: None

ON MOTION of Member Cliby seconded by Member Guinn, duly carried, RESOLVED to terminate JP Morgan Long Duration Bond portfolio effective April 30, 2003, reallocate the assets and to hire Prudential, hereby approved by the following vote:

Ayes: Burry, Fifield, Cliby, Guinn, Lombardi
Noes: None
Abstain: None
Absent: None

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DISCUSSION AND ACTION TO ASSIGN
RIGHTS TO CFRS REALTY HOLDING
CORPORATION TO PURCHASE PROPERTY
LOCATED AT 2828 FRESNO STREET,
FRESNO, CALIFORNIA.

Administrator McDivitt briefly summarized the required action. Speaking against this issue, Member Balekian expressed concerns requesting further review and analysis by the Boards and Member Burry and Legal Counsel responded.

ON MOTION of Member French seconded by Member Lombardi, duly carried, RESOLVED to assign rights to CFRS Realty Holding Corporation to purchase property located at 2828 Fresno Street, Fresno, California, hereby approved by the following vote:

Ayes: Quick, Lombardi, Balekian, Fifield, French
Noes: None
Abstain: None
Absent: None

ON MOTION of Member Lombardi seconded by Member Cliby duly carried, RESOLVED to assign rights to CFRS Realty Holding Corporation to purchase property located at 2828 Fresno Street, Fresno, California, hereby approved by the following vote:

Ayes: Burry, Fifield, Cliby, Guinn, Lombardi
Noes: None
Abstain: None
Absent: None

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CONSIDER INVESTMENT IN SHARES OF
CFRS REALTY HOLDING CORPORATION.

Administrator McDivitt briefly summarizes this issue that requires authorization for the each Board to purchase shares.

ON MOTION of Member French seconded by Member Lombardi, duly carried, RESOLVED to authorize the purchase of 1 share of CFRS Realty Holding Corporation at \$30,000 per share, hereby approved by the following vote:

Ayes: Quick, Lombardi, Balekian, Fifield, French
Noes: None
Abstain: None
Absent: None

ON MOTION of Member Cliby seconded by Member Guinn, duly carried, RESOLVED to authorize the purchase of 1 share of CFRS Realty Holding Corporation at \$30,000 per share, hereby approved by the following vote:

Ayes: Burry, Fifield, Cliby, Guinn, Lombardi
Noes: None
Abstain: None
Absent: None

CLOSED SESSION – PUBLIC EMPLOYEE
PERFORMANCE EVALUATION –
GOVERNMENT CODE SECTION 54957
TITLE: RETIREMENT ADMINISTRATOR

Laid over to May 2003 meeting.

GENERAL DISCUSSION

REPORT FROM THE RETIREMENT
ADMINISTRATOR ON RETIREMENT
PROJECTS AND COMMITTEE ACTION
AGENDAS

Administrator McDivitt reviewed the high-profile projects and Committee actions.

INFORMATION ONLY ITEMS

RecENTLY FILED LITIGATION (GLEASON,
ET AL V. SAN DIEGO CITY EMPLOYEES
RETIREMENT SYSTEM, ET. AL.

Received.

CaSE UPDATE (ARNETT V. PERS)

Received.

FRESNO CITY HEALTH & WELFARE TRUST
AGENDA FOR THE MARCH 12, 2003,
REGULAR BOARD MEETING AND MINUTES
OF THE FEBRUARY 12, 2003, REGULAR
BOARD MEETING.

Received.

FY 2003 MID YEAR REVIEW SUBMITTED
TO MAYOR/CITY COUNCIL

Received.

UNSCHEDULED ORAL COMMUNICATIONS

None.

PROPOSED AGENDA ITEMS FOR NEXT BOARD MEETING

None.

PUBLIC COMMENTS

None.

ADJOURNMENT – 5:40 p.m.

There being no further business to bring before the Board, and hearing no objections,
the Chairs declare the Joint Retirement Board regular meeting adjourned.

Brian Burry, Chair
Fire and Police Retirement Board

William Quick, Chair
Employees Retirement Board

Pattie Laygo
Retirement Board Secretary